



National Aeronautics and
Space Administration
Washington, DC 20546

Procurement Notice

PN 04-53
October 13, 2010

COMMERCIAL PURCHASE CARD PROGRAM

PURPOSE: This PN revises the NASA FAR Supplement (NFS) to update and expand upon policies and procedures for using the Governmentwide commercial purchase card and convenience checks.

BACKGROUND: The Governmentwide commercial purchase card program has been in effect for over a decade. During that time, both the use of the card and Federal guidance affecting card use has expanded significantly. Likewise, use of convenience checks has increased, and internal reviews have revealed uses inconsistent with underlying authorities. As the purchase card program expands, it is important to maintain effective internal controls to ensure proper use of purchase cards, while maximizing benefits from the card. Internal controls are in place to prevent improper use and waste, and are delineated in the NFS.

GUIDANCE: Contracting officers should follow this policy when requesting and issuing purchase cards or convenience checks, using the card or checks, and establishing and exercising proper internal controls over the use of the card or checks.

ACQUISITIONS AFFECTED BY CHANGES: This policy affects all procurements ordered or paid for with purchase cards or convenience checks.

ACTION REQUIRED BY CONTRACTING OFFICERS: Follow this policy when using purchase card or convenience checks.

CLAUSE CHANGES: None.

PARTS AFFECTED: Part 1813.

REPLACEMENT PAGES: You may use the enclosed pages to replace Part 1813 of the NFS.

TYPE OF RULE AND PUBLICATION DATE: These changes do not have a significant affect beyond the internal operating procedures of NASA and do not have a significant cost or administrative impact on contractors or offerors. Therefore they do not require codification in the Code of Federal Regulations (CFR) or publication for public comment.

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Enclosures

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PN List

PART 1813
SIMPLIFIED ACQUISITION PROCEDURES

TABLE OF CONTENTS

1813.000	Scope of part.
1813.003	Policy.
SUBPART 1813.1	PROCEDURES
1813.106	Soliciting competition, evaluation of quotations or offers, and documentation.
1813.106-3	Award and documentation.
SUBPART 1813.3	SIMPLIFIED ACQUISITION METHODS
1813.301	Governmentwide commercial purchase card.
1813.301-70	Purchase card program participants and roles.
1813.301-71	Training requirements.
1813.301-72	Requesting an approving official or cardholder account.
1813.301-73	Delegation of authority.
1813.301-74	Safeguarding the purchase card and convenience checks.
1813.301-75	Required file documentation.
1813.301-76	Prohibited transactions.
1813.301-77	Strategic sourcing and consolidating requirements.
1813.301-78	Priorities for use of Government supply sources.
1813.301-79	Supporting Federal policies, regulations, and NASA procedural requirements.
1813.301- 80	Verification of receipt and equipment tracking.
1813.301-82	Convenience checks.
1813.301-83	Purchase card internal controls.
1813.302	Purchase orders.
1813.302-1	General.
1813.302-570	NASA solicitation provisions.
1813.302-70	Purchase orders under section 8(a) of the Small Business Act.
1813.303	Blanket Purchase Agreements (BPAs).
1813.303-3	Preparation of BPAs.
1813.307	Forms.

PART 1813
SIMPLIFIED ACQUISITION PROCEDURES

1813.000 Scope of part.

FAR Part 13 and 1813 do not apply to NASA Research Announcements (NRA) and Announcements of Opportunity (AO). These acquisitions shall be conducted in accordance with the procedures in 1813.016-71 and 1813.072, respectively. However, awards resulting from NRAs or AOs that are to be made as procurement instruments can be made as either a contract or a purchase order. When a purchase order is used, it must not exceed the simplified acquisition threshold and must include the appropriate clauses pertaining to data rights, key personnel requirements, and any other requirements determined necessary by the contracting officer. Contracting officers must

determine whether obtaining the contractor's acceptance of the order is necessary (see FAR 13.302-3(a)).

1813.003 Policy.

(g) Acquisitions under these simplified acquisition procedures shall be fixed-price, except as provided under the unpriced purchase order method in FAR 13.302-2.

Subpart 1813.1--Procedures

1813.106 Soliciting competition, evaluation of quotations or offers, award and documentation.

1813.106-3 Award and documentation.

(b) (3) (ii) For purchases up to \$50,000, documentation shall be limited to a brief notation in the file indicating the rationale for selecting other than the lowest priced offer.

Subpart 1813.3--Simplified Acquisition Methods

1813.301 Governmentwide commercial purchase card.

(a) The Governmentwide commercial purchase card is the preferred method of ordering and paying for micro-purchases. Purchase cards shall be used for micro-purchases, for eligible purchases, to the maximum extent practicable. (See FAR Part 2 for the current micro-purchase threshold.)

(b)(1) For purchases above the micro-purchase threshold, purchase cards may be used by cardholders, with the appropriate delegation of procurement authority, to make payments against contracts, purchase orders, or orders under blanket purchasing agreements (BPA). (See 1813.303-3(a)(4) for guidance on the use of purchase card for placing individual orders under blanket purchase agreements.) Purchase cards may be used as a payment mechanism up to the simplified acquisition threshold on established orders or contracts.

(2) Use of the purchase card on orders above the micro-purchase threshold does not relieve the cardholder from complying with all applicable statutory and regulatory requirements, including, but not limited to, soliciting competitive quotations, verifying price reasonableness, reserving for small businesses, and reporting to the Federal Procurement Data System (FPDS).

(3) This policy establishes the minimum requirements for issuing, using, and internal controls on the use of purchase card and convenience checks. Center procurement officers may supplement these requirements when necessary to meet center-specific requirements.

1813.301-70 Purchase card program participants and roles.

(a) NPD 9070.2, Government Charge Cards, establishes internal controls for the management, use, and continuous evaluation of all charge cards, including air, fleet, travel, and purchase card. The NPD identifies the responsibilities of NASA organizations and staff involved in charge card use and management. The key officials and offices responsible for purchase card management are addressed below.

(b) The HQ Office of Procurement establishes policy for the use of purchase cards and the internal controls for the purchase card program.

(c) Agency Program Coordinator (APC). The APC is a Government employee, located at the NASA Shared Service Center (NSSC), who manages the purchase card program, oversees and provides operational support to the Center/Agency Program Coordinators (CAPC) as well as interfaces with the GSA Office of Charge Card Management and the contractor bank.

(d) Center/Agency Program Coordinators (CAPC). Each center shall have a CAPC who is a Government employee appointed by the center procurement officer. The CAPC is responsible for overall management of the center's purchase card program. The CAPC is the liaison between the NASA Center, the bank contractor, and the APC. CAPCs are responsible for:

- (1) Managing and overseeing their center's purchase card program;
- (2) Providing operational support to cardholders and approving officials;
- (3) Conducting and documenting reviews of cardholder and approving official activity as required by NASA's Purchase Card Internal Review Guide for CAPCs;
- (4) Managing cardholder and approving official accounts and authorization controls;
- (5) Ensuring that cardholders and approving officials are fully trained and refresher requirements are met;
- (6) Issuing, suspending or canceling cards; and
- (7) Maintaining a central record of all purchase card delegations/accounts and their status: active, suspended, or terminated. For terminated delegations, the central record shall specify the reason for termination, e.g., for cause, employee left NASA, transfer to another center, etc.

(e) The approving official. The approving official shall be a Government employee. Approving officials are responsible for:

- (1) Ensuring that cardholders safeguard their cards and account numbers;
- (2) Conducting independent reviews of cardholder records and transactions to ensure purchases are appropriate, authorized, for Government use only, and within the cardholder's delegated authority;
- (3) Reviewing their cardholders' monthly transactions and approving them for payment;
- (4) Ensuring cardholder records are well-documented and properly maintained;
- (5) Taking disciplinary action against cardholders in accordance with the NASA Desk Guide for Table of Disciplinary Offenses, when appropriate;
- (6) Ensuring all cardholder charges are either reconciled and approved in P-Card Web Solutions or disputed within 90 days;
- (7) Reporting suspected misuse, fraudulent or potentially fraudulent activity, to the CAPC and center Acquisition Integrity Program official;
- (8) Notifying the CAPC when the approving official, personally, or a cardholder, will be on extended leave, has transferred to another organization, is leaving NASA, or will no longer be an approving official or cardholder.

(f) Every purchase cardholder shall have an approving official. The approving official shall be the cardholder's supervisor. In no instances may a cardholder be the approving official on his or her own card transactions. Approving officials shall not have more than six cardholders reporting to them, unless a waiver has been approved by the center procurement officer. Approving officials must have direct knowledge of their cardholder's transactions and the ability to verify receipt of the purchases made by his or her cardholders

(g) Alternate approving officials shall be appointed to approve purchases when the primary approving official is unavailable, such as when on leave or travel. The CAPC may approve cardholders' transactions on behalf of an approving official, in order to meet reconciliation deadlines, so that prompt payment may be made. In these cases, the CAPC shall document the reason for approving on behalf of the approving official. The CAPC shall document the transactions approved and provide a copy of this documentation to the approving official. CAPC approval of transactions shall only be used as a last resort, on a temporary basis. The cardholder/approving official's management is responsible for ensuring approving officials are available to review and approve cardholder transactions within their organizations.

(h) Cardholders. Cardholders must be Government employees. Cardholders are responsible for using their cards ethically and in accordance with Federal and NASA policy and regulation

for purchases in support of NASA mission requirements or institutional operations. Cardholders shall:

- (1) Safeguard the card and card number;
- (2) Create an order log within P-Card Web Solution prior to ordering;
- (3) Comply with all dollar limits on purchases, both single and monthly;
- (4) Use the card only to make informed buys of approved supplies and services;
- (5) Maintain all necessary documentation to support their purchase decision;
- (6) Reconcile or dispute transactions promptly;
- (7) Promptly notify the CAPC when they will be leaving their organization, leaving NASA, on extended leave, or no longer using the card;
- (8) Promptly report lost or stolen cards to the contractor bank and CAPC; and
- (9) Report suspected misuse or fraudulent activity to the CAPC and center Acquisition Integrity Program official;

1813.301-71 Training requirements.

(a) To obtain an approving official or cardholder account, employees, including warranted contracting officers, shall complete the on-line NASA Purchase Card Training Course and the NEACC1035 Bankcard Purchases and Desktop Receiving Course, available in SATERN. To maintain their accounts, cardholders and approving officials shall complete the NASA Purchase Card Training Course every three years after completing the initial course.

(b) Employees applying for approving official or cardholder accounts must have completed the required purchase card training within the previous twelve months, if they have not been an approving official or cardholder within that time period.

(c) Failure to complete the required refresher training in a timely manner will result in suspension of cardholder or approving official accounts. When an approving official account is suspended, any cardholder accounts under that approving official will also be suspended, unless there is an alternate approving official is available.

(d) Except as provided in the NASA Procurement Career Development and Training Policy, cardholders with procurement authority over the micro-purchase threshold must be warranted contracting officers. See the Policy for exceptions concerning BPA call ordering officers and cardholders with authority limited to procuring emergency goods and services. This policy may be viewed or downloaded from the NASA Procurement Library at <http://prod.nais.nasa.gov/portals/pl/index.html>.

(e) For the latest information on the NASA purchase card program, CAPCs, cardholders, and approving officials are encouraged to visit the NASA Purchase Card web site at <https://www.nssc.nasa.gov/portal/site/customerservice/menuitem.32979cf15b1a4060e736da100788576c/>.

1813.301-72. Requesting an approving official or cardholder account.

(a) Requests for new cardholders or approving official accounts shall be submitted to the CAPC from the proposed cardholder or approving official's supervisor. The CAPC will review the account request and, if the required documentation is complete, the CAPC will recommend to the center procurement officer or deputy procurement officer that a delegation of authority be issued.

- (b) The following information/documentation is required before an account may be opened:
- (1) Nominee(s)' name(s) and organization;
 - (2) Certification that the nominee has completed the required training, understands the regulations and procedures, and knows the consequences of inappropriate actions;
 - (3) The requested single purchase limit and monthly spending limit;

(4) A justification for waiver of the required ratio, if proposing to exceed the 6:1 ratio of cardholders to approving officials; and

(5) Identification of whether the cardholder will have continuity of operation (COOP) or emergency response responsibilities.

(c) Individuals shall not be delegated single purchase authority over the micro-purchase threshold unless they are warranted contracting officers, blanket purchase agreement (BPA) call ordering officers, or responsible for continuity of operation (COOP) or emergency response activities.

(d) The total number of cardholders within an organization shall be limited to ensure that appropriate oversight is maintained to avoid card misuse. The ratio of cardholders to approving officials within an organization shall be no more than 6:1 unless waived by the procurement officer. A request to waive the 6:1 ratio must be submitted in writing and include: the name of approving official, list cardholders proposed to be assigned to that approving official, and a rationale for why the waiver should be granted. The number of cardholders assigned to an approving official should be reasonable, considering the volume of cardholder activity and the organizational structure. The request will be considered in light of the following: proposed cardholder to approving official ratio; volume of usage of all cards assigned to that approving official; review of the approving official and cardholders' record of reconciliation timeliness, CAPC audit records, and physical location(s) of cardholders and approving official.

1813.301-73 Delegation of authority.

The procurement officer or deputy procurement officer shall delegate cardholder or approving official authority only to qualified Government employees. The delegation shall be in writing, specifying the duties and responsibilities of the cardholder or approving official. For cardholders, the delegation shall specify the single purchase limit, monthly spending limit, and the name of the cardholder's approving official. Cardholders and approving officials within the procurement organization, even those who already have contracting officer warrants, shall be issued a separate delegation for their cardholder or approving official authority.

1813.301-74 Safeguarding the purchase card

The purchase card is issued to specific individuals for their official use. The employee, whose name is embossed on the card, is the custodian and sole authorized user. Cardholders shall not allow anyone else to use their cards, or account number. It is the cardholder's responsibility to safeguard the purchase card and account number at all times. When not in use, the card shall be kept in a safe, locked drawer, or other adequate facility for securing the card.

1813.301-75 Required file documentation.

(a) Cardholders shall create an order log in the NASA on-line P-Card Web Solution system to record their orders and ensure that adequate funds are available before ordering. The system order log records the funding information so that funding necessary for completion of the purchase can be committed. Cardholders shall use the order log to record information regarding the items ordered, such as a description, quantity, unit price and total value.

(b) In addition to the information entered in the order log, other supporting documentation, such as receipts, order confirmations, vendor invoices (if provided), necessary expense justifications, or documentation of any problems, disputes, or unusual circumstances surrounding an order shall be kept in the purchase card files. Purchase card files must be kept current and be readily available for examination. Purchase card files belong to the cardholder's organization and must be maintained by that organization after the cardholder or approving official leaves. The order log and supporting documentation is subject to audit by the NASA officials designated

in NPR 9070.2 as well as the Government Accountability Office and other external organizations.

(c) Purchase card files are official Agency records and shall comply with Agency and Federal record keeping requirements. (See NPR 1441.1 National Records Management Program and FAR 4.805(b) for applicable guidance.)

1813.301-76 Prohibited transactions. All Agency cardholders are prohibited from using the card for:

- (a) Cash advances;
- (b) Prepaid gift or cash cards;
- (c) Individual travel-related expenses, such as per diem, lodging, and transportation; or
- (d) Gasoline, oil, or similar items for Government-owned fleet vehicles.

1813.301-77 Planning to avoid splitting orders and strategic sourcing.

(a) To the maximum extent possible, cardholders shall plan their orders to combine requirements in order to qualify for volume discounts and to realize administrative savings. Cardholders shall not split known requirements to circumvent single purchase limits or to avoid procurement regulations, such as the Davis-Bacon Act, the Service Contract Act, or competition thresholds. It is improper for cardholders or approving officials to take large requirements that are clearly known in advance and break them into smaller requirements to be acquired over time through a series of purchase card orders either by a single cardholder or a number of cardholders.

(b) Office of Management and Budget Circular A-123, Appendix B requires each agency to use strategic sourcing to the maximum extent. Cardholders shall support Agency and center strategic sourcing initiatives when placing purchases.

1813.301-78 Priorities for use of mandatory Government sources.

FAR Part 8.002 lists priorities for use of Government supply sources. Cardholders shall satisfy requirements for supplies and services from the following sources, listed below in descending order of priority, before ordering from a commercial vendor:

(a) In accordance with NPR 4200.1, Equipment Management, cardholders are responsible for determining, with assistance from the local Personal Property Disposal Officer, whether equipment is available from Agency inventory or excess from other agencies before purchasing new items.

(b) Federal Prison Industries, Inc., also referred to as UNICOR, is not mandatory for orders of \$3,000 or less. See FAR Subpart 8.6 concerning orders over \$3,000.

(c) Products available from Ability One and National Industries for the Blind (NIB) found on the Internet at www.abilityone.com.

1813.301-79 Supporting Federal policies, regulations, and NASA procedural requirements.

Cardholders are responsible for compliance with Federal policies, regulations, and NASA procedural requirements when placing orders, by following the procedures listed below.

(a) Obtain Special Approvals. There are a variety of Federal regulations and NASA Procedural Requirements (see PIC 10-14) that require the cardholder to obtain special approvals before placing an order for certain items. These approvals shall be documented in the cardholder's files. Acceptable documentation includes purchase requests, e-mails, or blanket authorizations from cognizant officials, such as the Office of General Counsel.

(b) Place Orders with Responsible Businesses. Contractors debarred, suspended, or proposed for debarment are excluded from receiving orders. Cardholders shall review the Excluded Parties List System at <http://epls.arnet.gov> to ensure that no award is made to a listed contractor.

While use of electronic commerce is strongly encouraged, cardholders shall ensure all on-line purchases are made only through secure web sites of responsible businesses.

(c) Distribute Purchases Equitably. FAR 13.202(a)(1) states, to the extent practicable, cardholders shall distribute purchases equitably among qualified sources. This does not apply to orders placed with required sources, e.g., AbilityOne.

(d) Use Small Businesses. Cardholders are encouraged to order from small businesses whenever possible.

(e) Comply with Section 508 of the Rehabilitation Act. Section 508 of the Rehabilitation Act (29 U.S.C. 749d) was enacted to ensure that Federal employees and members of the public with disabilities have access to the Federal Government's Electronic & Information Technology. Purchase card orders for electronic and information technology items must comply with the requirements of Section 508. For more information about Section 508 requirements, see Procurement Information Circular 05-01.

(f) Purchase sustainable products. As required by FAR Part 23 and NPR 8530.1, cardholders shall purchase environmentally preferable products which are energy-efficient, biobased, or contain recovered materials unless the product cannot be acquired—

- (i) Within a reasonable time frame;
- (ii) Meeting reasonable performance standards; or
- (iii) At a reasonable price.

If the cost of the item is above the micro-purchase threshold, the cardholder must have a waiver from the facility environmental manager before placing the order. See NPR 8530.1 concerning the waiver process. If the cost of the item is below the micro-purchase threshold, the cardholder shall note in the order log the reason an environmentally preferable product was not purchased. The Environmental Protection Agency's Comprehensive Procurement Guideline (CPG) lists products containing recovered materials at

<http://www.epa.gov/wastes/conservation/tools/cpg/products/index.htm>. A searchable database of United States Department of Agriculture-designated biobased products is available at <http://www.catalog.biopreferred.gov/bioPreferredCatalog/faces/jsp/catalogLanding.jsp>. For a list of ENERGY STAR® qualified products, see <http://www.energystar.gov/products>.

(g) Enforce tax exempt status. Cardholders shall remind vendors that orders are for the U.S. Government and are tax exempt. If a vendor insists on charging tax, the cardholder should not place the order unless there is no alternative. If taxes are paid, the cardholder shall enter this as a separate line item within the purchase order log and explain why taxes were paid in the "comments" section.

1813.301- 80 Verification of receipt and equipment tracking.

(a) For all items over \$500, cardholders shall obtain 3rd party (other than the cardholder or the approving official) independent verification that the item ordered has been received. This may be accomplished in a variety of ways, including, but not limited to, having the recipient of the item verify receipt with a signature or initials on the sales invoice, packing slip, bill of lading, or any other shipping or receiving document, or an e-mail from the receipt verifying delivery; having the property official tag the item, etc. Verification of receipt shall be documented in the cardholder's records.

(b) Cardholders are responsible for coordinating with their organization's property official to ensure that any accountable, sensitive personal, or hazardous property the cardholder orders is correctly received, tagged, recorded, and brought under control. All cardholders and approving officials shall ensure purchases made with the card comply with NPR 4200.1, Equipment Management, and any local property requirements.

1813.301-81 The Reconciliation and dispute process.

(a) NPR 9631.1, Appendix B, lists the responsibilities of the cardholder and the approving official in the reconciliation of purchase card transactions. These steps shall be followed to ensure proper payment is made for appropriate transactions. Cardholders are responsible for disputing any improper charges.

(b) Typically, disputes occur because the order was not received or only partially received, is unacceptable, or the charge is unauthorized or duplicative. Before initiating a dispute through the contractor bank, cardholders shall contact the vendor in question and attempt to resolve the issue either by obtaining a replacement item or credit where appropriate. If an item bought with the card is returned, the supplier must credit the card account. It is the cardholder's responsibility to follow up with the suppliers to ensure credits are received. If the cardholder cannot resolve the issue with the vendor, then the cardholder shall dispute the transaction with the bank contractor via the bank's electronic access system or by faxing the dispute form to the bank. Cardholders must dispute a transaction within 90 days from the transaction date. Promptly disputing items is a protection against fraud and misuse of the card. Cardholders, approving officials, or both may be required to reimburse the Government for any unauthorized or erroneous purchase card transactions that were not disputed.

(c) Sales tax, convenience check charges, and purchases processed through third party payment systems, such as PayPal, cannot be disputed through the contractor bank. The cardholder is responsible for resolving problems with the vendor involving these charges.

1813.301-82 Convenience checks.

(a) The Debt Collection Improvement Act of 1996, as implemented by 31 CFR Part 208, requires that all Federal payments must be made by electronic funds transfer (EFT). The Department of the Treasury has ruled that convenience checks are not electronic funds transfer (EFT) compliant and therefore cannot be used unless they meet the waiver conditions detailed in the Act. Convenience checks are a procurement tool which must only be used as a last resort, in limited circumstances, and in compliance with the Act.

(b) Convenience checks may be used only where--

(1) Payment is to a recipient within an area designated by the President or an authorized agency administrator as a disaster area. This use is limited to payments made within 120 days after the disaster is declared. (See FAR Part 18, Emergency Acquisitions, for additional information.)

(2) The need for goods and services is of such unusual and compelling urgency that the Government would be seriously injured unless payment is made by a method other than electronic funds transfer; or where there is only one source for goods or services and the Government would be seriously injured unless payment is made by a method other than electronic funds transfer.

(3) The Agency does not expect to make more than one payment to the same recipient within a one-year period, i.e., the payment is non-recurring, and the cost of making the payment via electronic funds transfer exceeds the cost of making the payment by check.

(c) In addition to the limitations above, convenience checks shall not be used for –

(1) Transactions where the vendor will accept the purchase card;

(2) Transactions where another method of acquisition, e.g., purchase orders, contracts, etc., could be used;

(3) Employee reimbursements;

(4) Cash advances;

(5) Salary payments, cash awards, or any transaction processed through the payroll system;
or

(6) Travel-related transportation tickets, meals or lodging related to employee travel.

Check writers must document the specific circumstances justifying the use of the check. Any use of the checks which does not fall in one of the exceptions listed in (b) above is prohibited.

(d) Not all cardholders are eligible for convenience check writing authority. This authority must be requested in writing from the cardholder's approving official to the Procurement Officer. The request must document the items or types of items which warrant use of the check in accordance with the limitations set forth in paragraph (b). If the need is established, the Procurement Officer will issue a written delegation of authority to maintain and use convenience checks to the cardholder.

(e) Delegations for check writing authority shall be issued separately from cardholder delegations. The delegation letter shall specify the single purchase limit per check, the monthly spend limit, the internal controls required over the checks, e.g., tracking checks numbers, safeguarding checks, etc. The single purchase limit for checks shall not exceed the micro-purchase threshold. A copy of the delegation letter shall be sent to the approving official.

(f) Once the delegation is approved, the CAPC will order checks for the cardholder. Convenience checks will be printed with the check writer's name and shall only be used by that person. The CAPC shall keep a record of all check numbers issued to each authorized user. Each individual authorized to use convenience checks must comply with internal controls, which include tracking each check by number, safeguarding the checks, and closely overseeing that the checks are used properly. The destruction of any checks, e.g., because they were voided or the cardholder left the organization, must be documented by the approving official. Cardholders shall keep a register of all the checks issued to them, by number, and their disposition. The approving official shall conduct a quarterly physical inventory of the checks. The cardholder shall store convenience checks in a locked container, such as a safe or locking filing cabinet.

(g) Checks must be used in sequential order. Each convenience check must be entered in a check register and P-Card Web Solution system order log for tracking purposes. To document that a check was used, the check writer shall type "CC," (for convenience check) and the check number in the "supplier field" of the P-Card Solution Order Log. The check fee shall be entered as a separate line item in the log. At a minimum, the following information must be entered on each check:

- (1) A date, spelled out (e.g., October 30, 2008). Checks shall not be pre- or postdated;
- (2) The name of the payee. Under no circumstances may convenience checks be issued to "cash" nor can the payee line be left blank. Checks shall not be issued to "self," the check writer or the approving official;
- (3) The amount of the convenience check shall be written in the spaces provided in numbers and words; e.g., one hundred twenty-six dollars and 39/100 in the applicable space; and
- (4) An original signature.

(h) Convenience checks shall be written only for the exact amount of the purchase. Cardholders shall not split purchases into smaller units to circumvent their single purchase limit. The cardholder shall note in the log the date the check was issued and how it was issued, i.e., handed to the recipient or mailed.

(i) The cardholder may stop payment on a convenience checks by calling the contractor bank's customer service representative. The customer service representative will review the account to see if the convenience check has already posted. The bank must stop payment on a convenience check within 24 hours of notification. Additionally, the APC or CAPC can stop payments on checks in the PaymentNet system. If a convenience check has been cleared through the banking process, payment cannot be stopped.

(j) Cardholders shall reorder checks in writing through their CAPC with a copy to their approving official. CAPCs, cardholders, and their approving officials are responsible for tracking each check number the cardholder is issued and how it is used. When the cardholder is

leaving the organization or will not be using the checks, the cardholder shall return any unused checks to the CAPC. The approving official shall ensure that return of the checks to the CAPC is documented.

(k) Cardholders are required to contact the contractor bank's customer service department, their approving official, and their CAPC within 24 hours to report incidents of lost or stolen convenience checks. Because the account information may have been compromised, the account will be closed. A new account number will be assigned and new convenience checks will be issued.

(l) Copies of posted convenience checks are retained on file with the contractor bank for three years. The contractor bank's electronic access system has electronic images of processed checks available for viewing at any time. The bank will provide hard copies of processed convenience checks upon request. Original convenience checks are not returned.

(m) The Internal Revenue Service (IRS) requires that information be collected for reporting income to the IRS when a convenience check is used for certain purchases. When checks are written to individuals for services, the cardholder must collect certain tax information. For IRS Form 1099 reporting, cardholders shall collect and record the following information:

(1) Full, legal name;

(2) Complete business address (street, city, zip); and

(3) Tax identification number for a business or social security number for an individual.

The cardholder shall provide this information to the CAPC upon request. Failure to file a correct IRS Form 1099 by the due date may result in the IRS imposing a penalty on NASA.

Consequently, cardholders must assure that the necessary information is recorded and provided to the CAPC in a timely manner.

(n) The convenience check transactions will appear on the cardholder's monthly statement and the monthly transaction file within P-Card Web Solution. Transactions shall be reconciled within five working days of receipt of the statement. No dispute process is available through the contractor bank with the convenience check. Any concerns over a purchase made with a convenience check must be resolved directly by the cardholder with the merchant. The Agency will be responsible for paying convenience checks that are signed by the cardholder and posted to their account. The approving official shall ensure that the cardholder promptly resolves any billing discrepancy with the merchant. The reconciled transactions shall be reviewed and approved by the approving official within the P-Card Web Solution system.

(o) If fraud is suspected, the cardholder shall contact the contractor bank to initiate an investigation and immediately notify their CAPC. See 1813.301-83(h).

1813. 301-83 Purchase card internal controls.

(a) Oversight of the Purchase Card Program is accomplished on two levels: individual and organizational. Oversight of individual transactions ensures the card is used appropriately and items acquired are authorized in accordance with NASA and Federal policy. Organizational oversight helps analyze spending data, identify systemic problems and vulnerabilities, and combat fraud, waste, or mismanagement. Consistent and vigilant oversight is the responsibility of everyone involved in the program.

(b) Cardholder Oversight. Cardholders play a vital role in ensuring the card is properly used. Before placing orders, cardholders must evaluate each request to ensure that the requirement complies with Federal and Agency acquisition and appropriation rules. Cardholders should discuss any inappropriate or questionable requests with the originator. If concerns or doubts still remain, cardholders must promptly raise the issue with their approving official, CAPC, or other official, as appropriate. Cardholders must diligently review their monthly statements, reconcile their transactions within five working days and dispute any erroneous charges within 90 days.

(c) Approving Official Oversight. Approving officials are responsible for conducting personal and detailed reviews of their cardholders' transactions to ensure compliance with all applicable regulations, policy, special approvals, and purchase card procedures. This includes, but is not limited to: ensuring special approvals are documented as well as reviewing purchase card logs and transaction reports.

(1) Every six months, the approving official shall conduct a transaction volume analysis of their cardholders to ascertain whether:

- all cards under their account are needed,
- more cardholders are needed, based on order volume, and
- current cardholders' monthly limits should be adjusted to handle the volume and complexity of transactions.

(d) CAPC Oversight. CAPCs shall perform oversight as specified in the Purchase Card Internal Review Guide for CAPCs. The Guide is posted on the Purchase Card web site at <https://www.nssc.nasa.gov/portal/site/customerservice/menuitem.32979cf15b1a4060e736da100788576c/>. Completion of the reviews and any findings shall be reported to the APC with CAPC's input to the NASA Purchase Card Quarterly Report which is submitted by the APC to the Office of Management and Budget.

(e) Center Self-Assessment and Procurement Management Reviews. Each Center must address their plans for oversight of their purchase card program in the Center Self-Assessment Plan. The plan must address the areas required in OMB Circular A-123, Appendix B.

(f) Office of Procurement. The Office of Procurement conducts purchase card reviews as a part of each center's scheduled Procurement Management Reviews.

(g) Oversight from Other Organizations.

(1) The Office of the Chief Financial Officer (OCFO) will review purchase card transactions and any supporting documentation as deemed necessary for compliance with fiscal policy. Additionally, other NASA organizations may review purchase card transactions for compliance with NASA procedural requirements. OCFO reviews must be coordinated with the APC and the cognizant analyst from the HQ Office of Procurement, Analysis Division

(2) Other organizations, such as the Office of Inspector General (OIG), Government Accountability Office (GAO), or Office of Management and Budget (OMB) may be involved in purchase card reviews. These reviews shall be coordinated with cognizant HQ Office of Procurement analyst and the APC. The APC will cooperate with these organizations to ensure that information is shared, irregularities are identified and investigated, fraud and abuse are eliminated or prosecuted, and suggested program enhancements in the oversight area are considered for development and implementation.

(h) Reporting suspected fraud. Complaints of fraud, waste, and abuse, including mismanagement or violations of law, rules, or regulations in NASA programs and operations by NASA employees or program participants may be reported to the Acquisition Integrity Program within the Office of General Counsel. Confidential reports may also be made by contacting the OIG. See <http://www.hq.nasa.gov/office/oig/hq/hotline.html> for OIG hotline information.

(g) Cardholders who misuse the card, or approving officials who advise or order a cardholder to misuse the card, may be subject to immediate cancellation of their account, pecuniary liability, and disciplinary action. Potential disciplinary actions, notwithstanding the outcome of any applicable criminal proceedings, range from written reprimand, to suspension or removal as set forth in the NASA Desk Guide for Table of Disciplinary Offenses issued by the Office of Human Capital Management.

(h) CAPCs, in coordination with their Procurement Officers, may suspend or cancel cardholder or approving official accounts in the following instances:

- (1) Failure to timely reconcile or approve monthly statements;
- (2) Failure to maintain required training;

(3) Misuse of the purchase card (e.g., acquiring prohibited items/services, splitting acquisitions, allowing others to use the purchase card); or

(4) Failure to follow file documentation requirements--see 1813.301-75.

(i) If any employee knowingly uses the card for unapproved or unofficial purposes such action may be considered as an attempt to commit fraud against the Government. The cardholder is held personally liable to the Government for the amount of any unapproved purchases and may be subject to a fine of not more than \$10,000 or imprisonment for not more than five (5) years or both under 18 U.S.C. 287, False Claims, and related fraud criminal codes.

1813.302 Purchase orders.

1813.302-1 General.

(a) See 1813.003(g).

1813.302-570 NASA solicitation provisions.

(a)(1) The contracting officer may use the provision at 1852.213-70, Offeror Representations and Certifications—Other Than Commercial Items, in simplified acquisitions exceeding the micro-purchase threshold that are for other than commercial items. This provision shall not be used for acquisition of commercial items as defined in FAR 2.101.

(2) This provision provides a single, consolidated list of certifications and representations for the acquisition of other than commercial items using simplified acquisition procedures and is attached to the solicitation for offerors to complete and return with their offer.

(i) Use the provision with its Alternate I in solicitations for acquisitions that are for, or specify the use of recovered materials (see FAR 23.4).

(ii) Use the provision with its Alternate II in solicitations for the acquisition of research, studies, supplies, or services of the type normally acquired from higher education institutions (see FAR 26.3).

(iii) Use the provision with its Alternate III in solicitation which include the clause at FAR 52.227-14, Rights in Data—General (see FAR 27.404(d)(2) and 1827.404(d)).

(b) The contracting officer may insert a provision substantially the same as the provision at 1852.213-71, Evaluation—Other than Commercial Items, in solicitations using simplified acquisition procedures for other than commercial items when a trade-off source selection process will be used, that is, factors in addition to technical acceptability and price will be considered. (See FAR 13.106.)

1813.302-70 Purchase orders under section 8(a) of the Small Business Act.

Purchase orders made using simplified acquisition procedures are authorized for 8(a) acquisitions under the simplified acquisition threshold.

1813.303 Blanket Purchase Agreements (BPAs)

1813.303-3 Preparation of BPAs.

(a)(4) Non-GS-1102 or -1105 personnel shall not be authorized to place individual orders under a BPA in an amount greater than \$5,000. For sole source orders above \$2,500, a contracting officer's determination is required in accordance with FAR 13.106-1(b)(1).

1813.307 Forms.

(b) Installations may use locally prescribed forms.

(c) Installations may use locally prescribed forms.

(d) The SF 44 may be used for purchases of aviation fuel and oil of \$10,000 or less.